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10 UNITED STATES DISTRICT COURT
11 DISTRICT OF OREGON
12 PORTLAND DIVISION

13 REX STEVENS, an individual,
14 Plaintiff,

15 v.

16 URBAN FT, INC., a Delaware corporation,
17 and iPARSE, LLC, an Oregon limited
liability company,

18 Defendants.

19 UFT (NORTH AMERICA), LLC, a
20 Delaware limited liability company,

21 Fourth-Party Plaintiff,

22 v.

23 REX STEVENS, an individual,

24 Fourth-Party Defendant.
25
26

Case No. 3:22-CV-00952-SI

**FIFTH-PARTY DEFENDANTS' ANSWER
AND AFFIRMATIVE DEFENSES TO THE
FIFTH-PARTY COMPLAINT**

1 REX STEVENS, an individual,
 2 Fifth-Party Plaintiff,
 3 v.
 4 URBAN FT GROUP, INC., a Delaware
 5 corporation; FINTECH IMAGING
 6 SOLUTIONS, INC., a Delaware
 7 corporation; URBAN FT CLIENT
 8 SOLUTIONS, LLC, a Delaware limited
 9 liability company; UFT PROFESSIONAL
 10 SERVICES, LLC, a Delaware limited
 11 liability company; RICHARD
 12 STEGGALL, an individual,
 13 Fifth-Party Defendants.

14 Fifth-party defendants Urban FT Group, Inc., FinTech Imaging Solutions, Inc.,
 15 Urban FT Client Solutions, LLC, UFT Professional Services, LLC, and Richard Steggall (“Fifth-
 16 party defendants) answer fifth-party plaintiff Rex Stevens’ fifth-party complaint as follows:

17 47.

18 The allegations contained in Paragraph 1-38 are not directed these fifth-party defendants.
 19 Rather they are directed at fourth-party plaintiff, UFT (North America) LLC. Therefore the
 20 allegations contained in Paragraph 1-38 do not require an admission, denial, or other responding
 21 directly from these defendants. Insofar as any allegation contained in Paragraphs 1-38 is
 22 construed as against these defendants, these defendants deny each and every allegation, or assert
 23 that they lack the knowledge or information sufficient to form a belief as to the truth or falsity of
 24 the allegations contained in each paragraph and the allegations are therefore denied.

25 48.

26 Fifth-party defendants admit that Urban FT Group, Inc. is a Delaware corporation with its
 principal place of business in California. The fifth-party defendants deny the remaining
 allegations contained in Paragraph 48.

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1 49.

2 Fifth-party defendants admit that FinTech Imaging Solutions, Inc. was a Delaware
3 corporation with its principal place of business in New York. The fifth-party defendants deny the
4 remaining allegations contained in Paragraph 49.

5 50.

6 Fifth-party defendants admit that Urban FT Client Solutions, LLC is a Delaware limited
7 liability company with its sole member, Urban FT Group, Inc., being incorporated in Delaware
8 with its principal place of business in California. The fifth-party defendants deny the remaining
9 allegations contained in Paragraph 50.

10 51.

11 Fifth-party defendants admit that UFT Professional Services, LLC is a Delaware limited
12 liability company with its sole member, Urban FT Group, Inc., being incorporated in Delaware
13 with its principal place of business in California. The fifth-party defendants deny the remaining
14 allegations contained in Paragraph 51.

15 52.

16 Fifth-party defendants admit only that Richard Steggall is an individual residing in
17 Westchester County, New York, is the Chairman of Urban FT Group, Inc., was the Chief
18 Executive Officer of Urban FT, Inc. from 2015 through to 2018, was the Manager of UFT (North
19 America), LLC from 2017 through to 2021, was the Manager of iParse, LLC from 2017 through
20 to 2018, was the Manager of Urban FT Client Solutions, LLC from 2020 through to 2021, and
21 UFT Professional Services, LLC from 2020 through to 2021. Fifth-party defendants deny the
22 remaining allegations of Paragraph 52 as stated.

23 53.

24 Fifth-party defendants deny the allegations contained in Paragraph 53 as stated.

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26 ///

1 54.

2 Fifth-party defendants admit only that urbanft.com is the website affiliated with Urban
3 FT Group, Inc., Urban FT Client Solutions, LLC, and UFT Professional Services, LLC. FinTech
4 Imaging Solutions Inc., UFT (North America) LLC, Urban FT, Inc., and iParse, LLC are non-
5 active entities which are not associated with the urbanft.com website. Fifth-party defendants
6 deny the remaining allegations contained in Paragraph 54.

7 55.

8 Fifth-party defendants deny the allegations in Paragraph 55.

9 56.

10 Fifth-party defendants admit only that Urban FT. Group, Inc., operates out of the office
11 located at 400 Spectrum Center Dr., Suite 1900, Irvine, CA 92618. Urban FT Client Solutions,
12 LLC and UFT Professional Services each operate out of the office located at 110 Cheshire Lane,
13 Suite 375, Minnetonka, MN 55305. FinTech Imaging Solutions Inc., UFT (North America) LLC,
14 Urban FT, Inc., and iParse, LLC are non-active entities and therefore do not operate out of any
15 office space. Fifth-party defendants deny the remaining allegations contained in Paragraph 56.

16 57.

17 Fifth-party defendants deny that Urban FT. Group, Inc. and UFT Professional Services
18 share the same employees. UFT Professional Services do, from time to time, perform services
19 for other entities on a time and materials basis, and which is invoiced to, and paid by, the entity
20 receiving such services. Urban FT Client Solutions does not employ any staff. FinTech Imaging
21 Solutions Inc., UFT (North America) LLC, Urban FT, Inc., and iParse, LLC are non-active
22 entities and therefore do not employ any individual or personnel. Fifth-party defendants deny the
23 remaining allegations contained in Paragraph 57.

24 58.

25 Fifth-party defendants deny that Urban FT. Group, Inc. and UFT Professional Services
26 share the same employees. UFT Professional Services do, from time to time, perform services

1 for other entities on a time and materials basis, and which is invoiced to, and paid by, the entity
 2 receiving such services. Urban FT Client Solutions does not employ any staff. FinTech Imaging
 3 Solutions Inc., UFT (North America) LLC, Urban FT, Inc., and iParse, LLC are non-active
 4 entities and therefore do not employ any individual or personnel. Fifth-party defendants deny the
 5 remaining allegations contained in Paragraph 58.

6 59.

7 Fifth-party defendants deny that Urban FT. Group, Inc. and UFT Professional Services
 8 share the same employees. UFT Professional Services do, from time to time, perform services
 9 for other entities on a time and materials basis, and which is invoiced to, and paid by, the entity
 10 receiving such services. Urban FT Client Solutions does not employ any staff. FinTech Imaging
 11 Solutions Inc., UFT (North America) LLC, Urban FT, Inc., and iParse, LLC are non-active
 12 entities and therefore do not employ any individual or personnel. Fifth-party defendants deny the
 13 remaining allegations contained in Paragraph 59.

14 60.

15 Fifth-party defendants admit only that Urban FT Group, Inc. has received certain debt
 16 funding from several financiers who maintain registered security interests that are typically
 17 provided to financiers for such financings, but deny that such financiers have any security
 18 interests, registered or otherwise, in Urban FT, Inc. Fifth-party defendants deny the remaining
 19 allegations contained in Paragraph 60 as stated.

20 61.

21 Fifth-party defendants deny the allegations contained in Paragraph 61.

22 62.

23 Fifth-party defendants deny the allegations contained in Paragraph 62.

24 ///

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1 63.

2 Fifth-party defendants deny that Plaintiff has fully and accurately quoted the testimony
3 provided by Richard Steggall during his March 3, 2022 deposition in Paragraph 63, and deny the
4 remaining allegations contained in Paragraph 63.

5 64.

6 Fifth-party defendants deny the allegations contained in Paragraph 64.

7 65.

8 Fifth-party defendants deny that Plaintiff has fully and accurately depicted the testimony
9 provided by Richard Steggall during his March 3, 2022 deposition in the allegations set forth in
10 Paragraph 65, and deny the remaining allegations contained in Paragraph 65.

11 66.

12 Fifth-party defendants deny that Plaintiff has fully and accurately depicted the testimony
13 provided by Richard Steggall during his March 3, 2022 deposition in the allegations set forth in
14 Paragraph 66, and deny the remaining allegations contained in Paragraph 66.

15 67.

16 Fifth-party defendants admits only that Richard Steggall is the Executive Chairman of
17 Urban FT Group, Inc. and deny the remaining allegations as stated.

18 **ANSWER TO FIRST CLAIM FOR RELIEF**

19 **(Veil Piercing-Alter Ego)**

20 68.

21 The allegations contained in Paragraph 1-46 are not directed at these fifth-party
22 defendants. Rather they are directed at fourth party plaintiff, UFT (North America) LLC.
23 Therefore, the allegations contained in Paragraph 1-46 do not require an admission, denial, or
24 other responding directly from these defendants. Insofar as any allegation contained in
25 Paragraphs 1-46 is construed as against these fifth party-defendants, these defendants deny each
26 and every allegation, or asserts that they lack the knowledge or information sufficient to form a

1 belief as to the truth or falsity of the allegations contained in each paragraph, and the allegations
2 are therefore denied. Answering further, these fifth-party defendants incorporate their answers to
3 the allegations contained in Paragraphs 47-59 as and for the remaining allegations re-asserted in
4 Paragraph 68.

5 69.

6 Fifth-party defendants deny the allegations contained in Paragraph 69.

7 70.

8 Fifth-party defendants deny the allegations contained in Paragraph 70.

9 71.

10 Fifth-party defendants deny the allegations contained in Paragraph 71.

11 72.

12 Fifth-party defendants deny the allegations contained in Paragraph 72.

13 73.

14 Fifth-party defendants deny the allegations contained in Paragraph 73.

15 **WHEREFORE**, Fifth-party defendants further deny any and all allegations asserted by
16 Fifth-Party Plaintiff Rex Stevens not specifically admitted to herein, and that Fifth-party Plaintiff
17 Rex Stevens is entitled to recovery of any kind, included, but not limited to: (1) that Stevens is
18 entitled to a declaration that the sale is governed by applicable UCC law, under which it is valid;
19 (2) that Stevens is entitled to a declaration that Stevens became the legal owner of the Intellectual
20 Property by virtue of the UCC Sale; (3) that Stevens is entitled to a monetary award in an amount
21 estimated to be not less than \$3,961,830.34, plus any pre-judgment and post-judgment interest;
22 (4) that Stevens is entitled to attorneys' fees; and (5) that Stevens is entitled to a costs and
23 disbursements occurred herein; and/or any such further relief.

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AFFIRMATIVE DEFENSES

74.

Fifth-party defendant further assert and allege the following affirmative defenses as follows:

FIRST AFFIRMATIVE DEFENSE

(Failure to State a Claim)

75.

As and for a First Affirmative Defense (failure to state a claim), fifth-party plaintiff's claims, and each of them, fail to state a cause of action or claim for relief against fifth-party defendants.

SECOND AFFIRMATIVE DEFENSE

(Estoppel)

76.

As and for a Second Affirmative Defense (estoppel), fifth-party plaintiff is precluded from asserting his claims, and each of them, as a result of his own action or inaction, under the doctrine of estoppel.

THIRD AFFIRMATIVE DEFENSE

(Laches)

77.

As and for a Third Affirmative Defense (laches), fifth-party plaintiff is precluded from asserting his claims, and each of them, under the doctrine of laches.

FOURTH AFFIRMATIVE DEFENSE

(Unclean Hands)

78.

As and for a Fourth Affirmative Defense (laches), fifth-party plaintiff is precluded from asserting his claims, and each of them, under the doctrine of unclean hands.

FIFTH AFFIRMATIVE DEFENSE

(No Liability for Attorney Fees)

79.

As and for a Fifth Affirmative Defense (no liability for attorney fees), fifth-party plaintiff is not entitled to recovery of attorney fees on any of his claims.

SIXTH AFFIRMATIVE DEFENSE

(Statute of Limitations)

80.

As and for a Sixth Affirmative Defense (Statute of Limitations), fifth-party plaintiff's claims, and each of them, are barred by the applicable statute of limitations.

SEVENTH AFFIRMATIVE DEFENSE

(Personal Jurisdiction)

81.

As and for a Seventh Affirmative Defense (personal jurisdiction), this court lacks personal jurisdiction over each and every fifth party defendant.

EIGHTH AFFIRMATIVE DEFENSE

(Reservations of Rights)

82.

As and for an Eighth Affirmative Defense (reservation of rights), fifth-party defendants reserve the rights to allege any other affirmative defenses which may become apparent following the discovery process.

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CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing FIFTH-PARTY DEFENDANTS' ANSWERS AND AFFIRMATIVE DEFENSES on:

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Attorneys for Plaintiff, Fourth-Party Defendant, and Fifth-Party Plaintiff

by the following indicated method or methods:

- ☐ by **mailing** full, true, and correct copies thereof in sealed, first-class postage-prepaid envelopes, addressed to the attorneys as shown above, the last-known office addresses of the attorneys, and deposited with the United States Postal Service at Portland, Oregon, on the date set forth below.
- ☒ by transmitting full, true, and correct copies thereof to the attorney through the court's **Cm/ECF system** on the date set forth below.
- ☒ by transmitting full, true, and correct copies thereof by **electronic means** to the attorney at the attorney's last-known e-mail address listed above on the date set forth below. Unless otherwise agreed to by the parties, the transmission was made in Word or WordPerfect format.

DATED this 8th day of July, 2022.

/s/ Katherine Bennett

Katherine Bennett

*Of Attorneys for Fifth-Party Defendants
Urban FT Group, Inc., Fintech Imaging
Solutions, Inc., Urban FT Client
Solutions, LLC, UFT Professional
Services, LLC, and Richard Steggall*